

**TENNESSEE DEPARTMENT OF MENTAL HEALTH
AND DEVELOPMENTAL DISABILITIES
and the
TDMHDD PLANNING & POLICY COUNCIL
FY 2008 Joint Annual Report
July 1, 2007 – June 30, 2008**

INTRODUCTION:

The Department of Mental Health and Developmental Disabilities (DMHDD) is the state's mental health, alcohol and other drug use disorders, developmental disabilities, and methadone authority and is responsible for system planning; setting policy and quality standards; licensing personal support services agencies and mental health and alcohol and drug services and facilities; system monitoring and evaluation; disseminating public information and advocacy for persons of all ages who have mental illness, serious emotional disturbance, alcohol and other drug use disorders, or developmental disabilities. DMHDD also licenses mental retardation services and facilities.

DMHDD serves adults with mental illness and children with emotional disturbance by planning, promoting, and contracting for an array of community mental health services, which are complementary to the mental health treatment services provided through the Bureau of TennCare. Community mental health services include prevention, early intervention, support services, rehabilitation, recovery and forensic services, and juvenile court evaluation services.

- DMHDD maintains private, state and federally funded grant contracts with private, non-profit community mental health agencies (CMHAs) and other organizations that provide a variety of services that are either not available or not fully supported through TennCare to enrollees and for non TennCare members who need such services.
- DMHDD contracts with 19 CMHAs to provide mental health safety net services to adults disenrolled from the TennCare waiver population.
- DMHDD administers five state operated psychiatric hospitals referred to as Regional Mental Health Institutes (RMHIs).
- Statutorily mandated inpatient and outpatient forensic and juvenile court services are provided through a combination of direct service through the RMHIs and contracts with private hospitals and community providers.

The Division of Alcohol and Drug Abuse Services serves as the state authority for receiving and administering state and federal block grant funding from the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) used for planning, promoting, contracting, and evaluating an array of substance abuse treatment and prevention services.

A wide array and intensity level of treatment services for youth and adults include specialty services for women and persons with HIV. Prevention services are targeted to children and youth and include an array of school and community-based prevention programs. The program also supports professional training and evaluation activities. Alcohol and Drug Abuse services are provided through a statewide network of more than 80 community-based providers.

The Department of Mental Health and Developmental Disabilities Planning and Policy Council was created by the General Assembly, which set membership requirements and responsibilities in Tennessee Code Annotated, §§33-1-401-402. Membership includes service recipients and their family members, representatives for children, the elderly, advocates, service providers, at-large members, and two legislators selected by the speakers of the respective houses.

The Council meets quarterly and is charged with assisting in planning a comprehensive array of high quality prevention, early intervention, treatment, and habilitation services and supports; with advising the Department on policy budget requests; and developing and evaluating services and supports. The Council annually reviews the adequacy of the mental health and developmental disability law, Title 33, to support the service systems; make recommendations for inclusion in the Department's three-year plan; and, in conjunction with the DMHDD, report annually to the Governor on the service system and departmental programs, services and facilities.

ACCOMPLISHMENTS:

- Anti-Stigma Campaign – DMHDD launched the third phase of the “Overcoming Stigma Campaign” to spread positive messages regarding resiliency and recovery with a focus on the arts. On May 1, 2008, DMHDD and the Middle Tennessee Mental Health and Substance Abuse Coalition sponsored the third Annual Art for Awareness Day at the State Capitol which featured the work of over 100 mental health consumer artists. During this event, Governor Bredesen, Commissioner Betts, and several members of the General Assembly were presented a unique piece of art created to display in their offices throughout the month of May in recognition of Mental Health Month. During the event, consumer artists registered their work and enjoyed a reception in celebration of this event.
- In FY 2007, DMHDD, in collaboration with the Memphis faith community, initiated the Emotional Fitness Centers, a faith-based mental health pilot project that addresses utilization disparity of mental health services in West Tennessee by attempting to remove the stigma often associated with mental health services in minority communities. This unique pilot program will be offered in several local churches in Shelby County with outreach to Hardeman and Fayette Counties. The major goal of the Emotional Fitness Centers is to increase awareness and appropriate utilization of mental health services in African American communities.

- Integrated Service Delivery Model – An integrated model of service delivery, which includes both physical and mental health components within a single contract (MCO), is being implemented by the Bureau of TennCare and DMHDD in Middle Tennessee. In January 2008, the Bureau of TennCare released a request for proposal (RFP) for healthcare plans to offer both medical and behavioral services to enrollees in East and West Tennessee. BlueCross BlueShield of Tennessee and AmeriChoice were awarded the contracts in both the East and West regions. These contractors will accept full financial risk to participate in Tennessee's Medicaid program and will be paid set monthly rates, or capitated payments to manage and deliver care to TennCare members. Through this process the state can offer a statewide healthcare delivery system that meets the needs of the whole person and improve enrollees' overall health status. Service delivery will begin on November 1, 2008, for those residing in West Tennessee, and January 1, 2009, for those residing in East Tennessee.
- Crisis Stabilization Units (CSUs) - Over the years, the continuum of crisis services has been expanded, both by DMHDD and by TennCare contract BHOs and MCOs under the waiver program. As part of an incremental move to carved-in managed care services, funding was targeted for increasing community alternatives to hospitalization. As a result, three crisis stabilization programs were put in place prior to implementation of the Middle Tennessee carved-in system in April 2007; two Crisis Stabilization Units and an expanded crisis respite program. Plans are currently underway to fund an expanded continuum of crisis services in Memphis, Shelby County, and four new CSUs for locations in east and west Tennessee (Memphis, Jackson, Knoxville, Johnson City) prior to statewide implementation of the integrated system by January 1, 2009. The expansion of CSUs is designed to assist in the reduction of inpatient utilization.

The TDMHDD Planning and Policy Council continues to advise the Department on issues related to crisis services.

- Mental Health Safety Net (MHSN) - In July 2005, DMHDD received 11.5 million dollars in state appropriated funds to implement the Mental Health Safety Net which addresses core mental health service needs for persons with serious and persistent mental illness (SPMI) disenrolled from TennCare. This service package was designed to meet basic medication and treatment needs of these individuals and includes assessment, evaluation, diagnostic, therapeutic intervention, case management, psychiatric medication management, labs related to medication management, and pharmacy assistance and coordination. Services are provided through 19 community mental health providers. DMHDD has developed a Memorandum of Understanding with the Department of Health for lab draws, and a partnership with the Department of Finance and Administration for medication assistance to persons with severe and persistent mental illness (SPMI) through Cover Rx.

The TDMHDD Planning and Policy Council played a significant role in shaping the program: advocating for flexibility in the service package based on consumer need, inclusion of critical medications in the formulary, and expansion of the eligible population.

At the end of FY 07, the MHSN was at 81% registration (15,988 individuals were registered with a participating community mental health agency). The number of SPMI disenrolled from TennCare at that time was 16,120. A total of \$7,827,607 was expended in the delivery of over 114,000 units of service. This is the third fiscal year (06, 07, 08) the MHSN has been in existence. The top three services utilized were case management, pharmacologic management, and psychotherapy.

- Grant Awards – In FY07, DMHDD was awarded \$14.2 million dollars to fund a three year Access to Recovery program that will provide a multifaceted array of treatment and recovery services for Tennesseans with substance abuse problems. This program will provide referral collaboration with the criminal justice system, expansion of statewide culturally competent provider network of both faith and community-based agencies. It will also provide for the development of a strength-based case management model, which will allow individuals to achieve and maintain recovery by offering consumer choice while improving access to clinical treatment and recovery support.
- Grant Awards - DMHDD was awarded a Real Choice Systems Change grant from the Center for Medicare and Medicaid Services for almost \$500,000 that will be distributed over the next three years. These funds will allow the department to implement three recovery initiatives including: 1) training of peer specialists throughout the state to teach Wellness Recovery Action Plan (WRAP) Classes; 2) establishing a comprehensive, community-based, web resource directory; and 3) training practitioners to teach the evidence-based practice of Illness Management and Recovery. DMHDD hopes to use this grant to train and certify 50 peer specialists connected with the CMHAs and 100 staff from the Peer Support Centers to conduct WRAP classes and seminars.
- Grant Awards – In FY07, DMHDD was awarded \$2.5 million from the Administration for Children and Families to benefit Tennessee's youth in eight rural counties over the next five years. This initiative will help ensure that integrated services are provided for children, ages 0-18, who are in or at risk of an out-of-home placement as a result of a parent or caretaker who is abusing methadone or other substances.
- Grant Awards - In FY08, DMHDD was awarded a Transformation Transfer Initiative grant by the National Association of State Mental health Program Directors (NASMHPD) in the amount of \$105,000. The Transformation Transfer Initiative Grant will target the transformation of the system of providing mental health evaluations to juvenile courts from a predominately inpatient service to a predominately outpatient service. This grant will assist DMHDD to provide services to children and youth in the least restrictive environment while maintaining high

standards for court-ordered evaluations. DMHDD staff will provide monitoring and oversight of the grants.

- The Creating Homes Initiative (CHI) continues to work locally to develop permanent housing with necessary supports along a continuum ranging from home ownership, rental, independent congregate living, partially supervised group housing, and 24-hour on-site staff group housing opportunities. As of June 2008, over 7200 housing opportunities have been created for people diagnosed with mental illness or co-occurring mental illness and substance abuse. In this process, over \$209 million has been leveraged. The current CHI goal is to increase the number of housing opportunities to 8009 by 2009.

In January 2008, Tennessee's Creative Homes Initiative Program, became a national model and was featured in the Arizona Health Futures, January 2008 edition on the "Gray Land Housing for people with Serious Mental Illness in Maricopa County."

- The Creating Jobs Initiative (CJI) assertively and strategically partners with local communities to expand employment opportunities. DMHDD continues to establish partnerships with providers of employment services at the state and local levels, including: Vocational Rehabilitation Services, Department of Labor, One-Stop Career Centers, and Benefits to Work Project (Center for Independent Living and Statewide Independent Living Council and Social Security Administration), to provide technical assistance to community mental health agencies regarding employment for mental health service recipients. DMHDD conducts outreach and training statewide to educate service recipients, family members, mental health service providers, employers, and other interested community stakeholders regarding employment opportunities and services. In order to assist youth transition to employment, Vocational Rehabilitation counselors, known as School to Work Officers, participate on the CJI task forces.
- Peer Support Specialists - DMHDD continues to process certification applications and requests for renewal requests, and to further refine the certification process. A total of 34 applicants have been certified, 15 annual recertifications have been issued, and 12 applications are pending. The updated Certified Peer Support Specialists Handbook, along with application and certification forms, is available on the DMHDD website. The Office of Consumer Affairs is identifying opportunities to streamline the certification process from both an administrative and an applicant's perspective in developing certification for Family Support Specialists as recommended by the TDMHDD Planning and Policy Council.
- Through a public and private collaboration, construction of a replacement facility for Memphis Mental Health Institute was completed in early fall of 2007. The department has completed planning and has received a Certificate of Need from the Health Services Development Agency for a new replacement building at Western

Mental Health Institute. The target date for completion of the facility is early 2010. To date construction of the new 150 facility is on time and on budget.

- DMHDD completed a major technology upgrade in 2007 to maintain and process critical patient information. The Avatar system is a new innovative Web-based program that is being used to maintain patient information in a centralized system from all five Regional Mental Health Institutes located across the state.
- To streamline planning functions, the Roundtable, a group formed to advise the Department on issues related to TennCare, was dissolved with its functions being absorbed by the TDMHDD Planning and Policy Council.
- As a result of a recommendation by the TDMHDD Planning and Policy Council, a comprehensive review of all TDMHDD licensure rules and regulations is currently being conducted. Revisions will be made as recommended.

Challenges:

- Budget – In February 2008, the TDMHDD Planning and Policy Council recommended to support the budget request submitted by TDMHDD. However, as part of the FY09 budget reductions, DMHDD experienced a \$9 million dollar reduction to the operating budget. In 2008, an employee Voluntary Buyout Plan (VBP) was introduced in an effort to reduce the state's annual budget by \$64 million in recurring expenses. DMHDD eliminated 140 staff positions, through the VBP or elimination of vacant positions, as a result of the budget cuts. Within the department, the Division of Managed Care was dissolved and the functions absorbed by the Bureau of TennCare or distributed within other divisions of DMHDD. The TDMHDD Planning and Policy Council recommended that the functions of the Division of Managed Care continue to be implemented. The ongoing issues in the State's budget continues with serious funding challenges in our efforts to continue to provide basic needed services for persons with serious mental illness and serious emotional disturbances.
- "State only" and "judicial" categories – With statewide implementation of the integrated managed care system, DMHDD will assume responsibility, on January 1, 2009, for the provision of clinical services to non-TennCare eligible priority population adults needing immediate services. These individuals are currently served through TennCare under the "state only" or "judicial" criteria. In FY 2007, approximately \$49.1 million was spent to provide needed inpatient and outpatient services to 16,600 adults. Since DMHDD has been allocated less than \$6 million to continue services to this population, the department is challenged with providing needed services to this indigent uninsured and seriously ill population within limited financial resources.
- Efficient operation of the RMHIs is affected by fluctuating demand for inpatient services. Service recipients are admitted based on statutory criteria, limiting the

department's ability to balance treatment needs with space availability. Often, hospital admissions are directly related to a lack of intensive outpatient community mental health services and thus their discharges may be delayed if adequate aftercare housing, treatment, and support services are not readily available.

The department is working to decrease inpatient utilization by promoting the development of housing, crisis intervention services, and more readily available outpatient services for people with mental illness or serious emotional disturbance. The department is re-designing the crisis services model and is encouraging the mental health provider community to develop an improved community continuum in an effort to reduce over-utilization of inpatient services at the RMHIs. The department continues to work with private providers to increase the availability of inpatient psychiatric services in non-IMD facilities.

- Mental Health Crisis Services for the Non-TennCare Eligible Population – In FY 2008, DMHDD held meetings with crisis service providers and various other stakeholders to address funding and program options to continue crisis services to non-TennCare eligible persons. In the meantime, DMHDD will provide funding for the Middle Tennessee crisis service providers for a limited time to insure the stability of the crisis system. Discussions with DMHDD, crisis service providers, service recipients and other stakeholders will continue in FY 2009 to find permanent solutions that will allow crisis services to continue throughout the State.
- Employment - The primary challenge for the Office of Employment Planning and Development is the lack of funding to establish an Employment Facilitator in each of the 7 mental health planning regions. Based on the significant success in the expansion and improvement of housing options for people with mental illness through the Creating Homes Initiative, the Division of Recovery Services and Planning is committed to developing a similar model for Creating Jobs Initiative, anticipating similar outcomes. Research demonstrates that work is a key to recovery and that persons with mental illness are able to live more rewarding lives through this contribution to their communities. Studies show that 60% - 75% of the number of people with mental illness want to work. However, 85% - 95% are unemployed. The impact of the lack of employment opportunities for persons with mental illness and co-occurring disorders, includes increased homelessness, increased prison involvement, and increased hospitalizations. Lack of funding severely limits implementation of the Creating Jobs Initiative. The Office of Employment Planning and Development continues to seek alternative funding to develop and maintain this program.
- DMHDD recognizes the need for services and supports for persons with developmental disabilities, especially for those who are not diagnosed with mental retardation. DMHDD participated in the Developmental Disabilities Task Force which was charged with conducting a statewide needs assessment, assessing the capacity of the service system and developing a plan to provide cost-effective home and community-based services and supports for persons with developmental

disabilities other than mental retardation. After a year of research, discussion and planning; the Task Force issued its report, "Fulfilling the Promise," which contained recommendations to achieve a comprehensive home and community-based service system for persons with developmental disabilities other than mental retardation.

The TDMHDD Planning and Policy Council endorsed the recommendations of the DD Task Force report.

- The TDMHDD Planning and Policy Council, based on study and analysis by the Developmental Disabilities Planning and Policy Council, formally recommended to the Commissioner of TDMHDD that responsibility for administering services for persons with developmental disabilities be transferred to DMRS. TDMHDD continues discussions with DMRS regarding this issue. This recommendation has not yet been accomplished.
- Persons found not guilty by reason of insanity (NGRI) present a number of unique challenges. Access to services is diminished by their involvement in the criminal justice system and lack of available funds for post hospitalization community services. Few qualify for TennCare or state-only funding; even fewer have commercial insurance. Commercial insurance coverage is frequently limited in the benefit package (ex.: no case management) or whether the benefits are available when there is a legal obligation (such as Mandatory Outpatient Treatment) to access services.